



Housing market overview

Produced 08 October 2019

This document provides the latest information available from various sources, with dates varying from July - September 2019

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- > In a notable change compared with recent months, all but one of our reported sources are now indicating month-on-month house prices falls, albeit by relatively modest amounts (in the range 0.1 to 0.4%). The lone voice in reporting an increase is the UK House Price Index, but the latest available data refers to July, so is somewhat historic. All but one of our sources are, however, continuing to record annual increases.
- > As UK house builders brace themselves for the triple-whammy of Brexit, economic slowdown and the end of Help to Buy on the horizon, Barratt has introduced small but significant changes designed to reduce build costs in an attempt to protect margins. Expensive bay windows have been axed and the pitch of roofs reduced to make them easier to erect.
- > Nationwide remains a little more upbeat, stating that the underlying pace of housing market activity has remained broadly stable, with the number of mortgages approved for house purchase continuing within the fairly narrow range prevailing over the past two years. Healthy labour market conditions and low borrowing costs appear to be offsetting the drag from the uncertain economic outlook.
- > Rightmove is seeing no sign of autumn bounce yet, claiming that heightened political uncertainty is causing some to hesitate, giving a better negotiating opportunity to autumn buyers who can keep their nerve. They say that the number of sales agreed is down in all regions compared to a year ago, with the 5.5% drop - a marked reversal from the +6.1% sales agreed flurry that they reported a month ago. The number of properties coming to market is down by 7.8% this month compared to the same period a year ago, again with all regions down on the prior year. Annual rate of price increase drops to just 0.2%, buoyed by the north and dragged down by parts of the south.
- > Bank of England figures show that the number of mortgages approved to finance house purchases were 65,545 in August – this represents a 2.2% fall from July. (Source: Bank of England, seasonally-adjusted figures).
- > According to home.co.uk typical time-on-market rises indicate that the worst regional slowdowns are the east of England and East Midlands (+13%), followed by the south west (+11%) and the West Midlands (+11% year-on-year).

Summary of published price indices

| Source website | Period covered | Monthly change (%) | Annual change (%) | Average house price | Official releases |
|-----------------------------|----------------|--------------------|-------------------|---------------------|-------------------|
| gov.uk UK house price index | July '19 | ^ 0.5 | ^ 0.7 | £232,710 | 18.09.2019 |
| LSL Property Services | August '19 | v 0.1 | ^ 0.0 | £299,596 | 16.09.2019 |
| Halifax | September '19 | v 0.4 | ^ 1.1 | £232,574 | 07.10.2019 |
| home.co.uk | September '19 | v 0.1 | v 0.1 | £308,607 | 12.09.2019 |
| Hometrack | August '19 | N/A | ^ 1.9 | £257,900 | 26.09.2019 |
| Nationwide | September '19 | v 0.2 | ^ 0.2 | £215,352 | 09.2019 |
| Rightmove | September '19 | v 0.2 | ^ 0.2 | £304,770 | 16.09.2019 |

UK annual house prices – rate of change

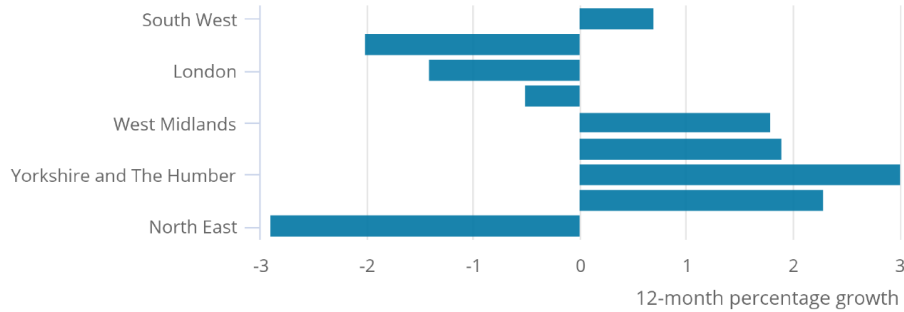


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Annual house price growth slowed somewhat in September, rising by just 1.1% over the last year. Whilst this is lowest level of growth since April 2013, it remains in keeping with the predominantly flat trend we’ve seen in recent months. ”

Source: [Halifax price index](https://www.halifax.co.uk/price-index)

Regional all-dwellings annual house prices – 12-month % change



Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Typical Time on Market rises indicate the worst regional slowdowns are in the East of England (+13%), the East Midlands (+13%), the South West (+11%) and the West Midlands (+11% year-on-year). ”

Source: [home.co.uk price index](https://www.home.co.uk/price-index)

UK house-price rates of change: types of buyer

| Type of buyer | Average price July 2019 | Monthly change | Annual change |
|-----------------------|-------------------------|----------------|---------------|
| First time buyer | £196,482 | 0.9% | 0.9% |
| Former owner occupier | £269,144 | 0.2% | 0.3% |

Source: [gov.uk price index](#)

“ On the whole the housing market is probably performing quite well. Mortgage approvals have risen slightly, new buyer enquiries have edged up, and first time buyers are active. Some commentators are suggesting that given uncertain timescales, households have decided to get on with it and move/buy. ”

Source: [LSL Property Services](#)

UK house-price rates of change: types of dwelling

| Property status | Average price May 2019 | Monthly change | Annual change |
|--------------------------|------------------------|----------------|---------------|
| New build | £282,367 | -1.0% | 2.0% |
| Existing resold property | £226,263 | 0.4% | 1.2% |

Source: [gov.uk price index](#)

“ Annualised price growth across England and Wales remains in the red by the smallest margin of -0.1%, making this the eighth consecutive month registering negative growth; in September 2018, the annualised rate of increase of home prices was 0.9%. ”

Source: [home.co.uk price index](#)

Number of housing transactions per month

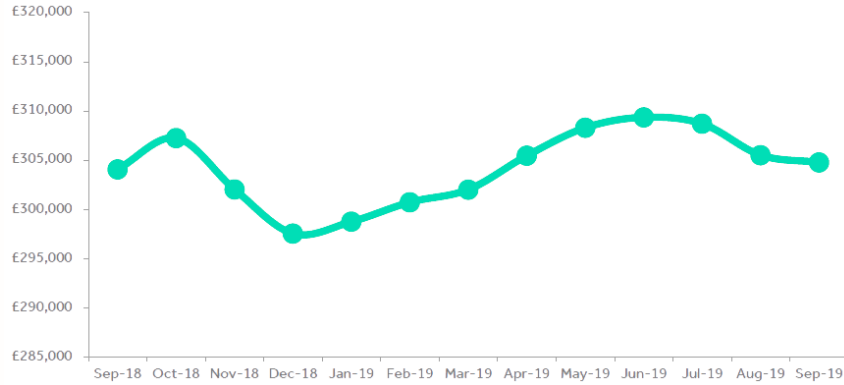
| Country | May 2019 | May 2018 |
|-------------------------------------|----------|----------|
| England | 59,556 | 67,590 |
| Northern Ireland (Quarter 2 - 2019) | 5,210 | 6,189 |
| Scotland | 9,540 | 8,135 |
| Wales | 3,493 | 3,799 |

Source: [gov.uk price index](#)

“ Underlying market indicators, including completed sales and mortgages approvals, continue to be broadly stable. Meanwhile for buyers, important affordability measures – such as wage growth and interest rates – still look favourable. Looking ahead, we expect activity levels and price growth to remain subdued while the current period of economic uncertainty persists. ”

Source: [Halifax price index](#)

Monthly asking-price trend

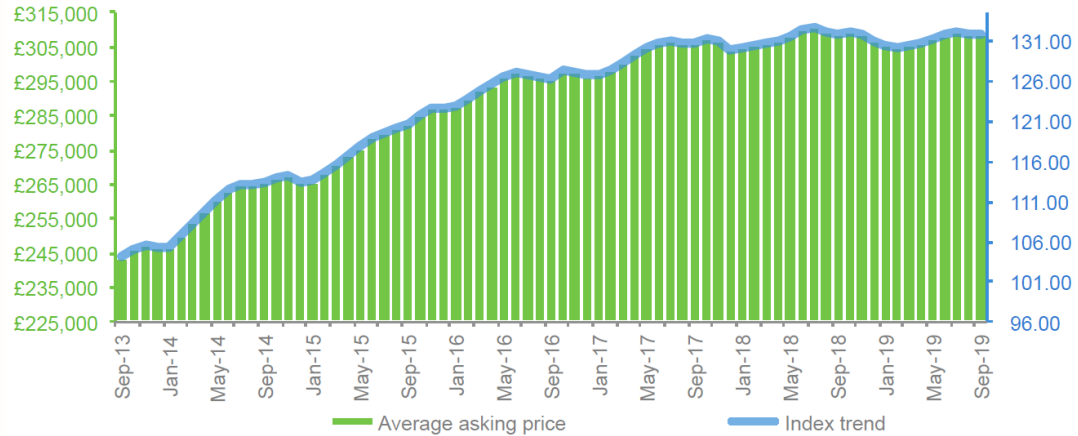


Source: [Rightmove price index](#)

“ The average house price in England & Wales has risen by just £32 over the last twelve months: effectively prices are static and clearly not keeping pace with consumer price inflation, however defined (RPI, CPI or CPIH). House prices have therefore been falling over the last year when expressed in real terms. ”

Source: [LSL Property Services](#)

Home asking-price trend for England & Wales

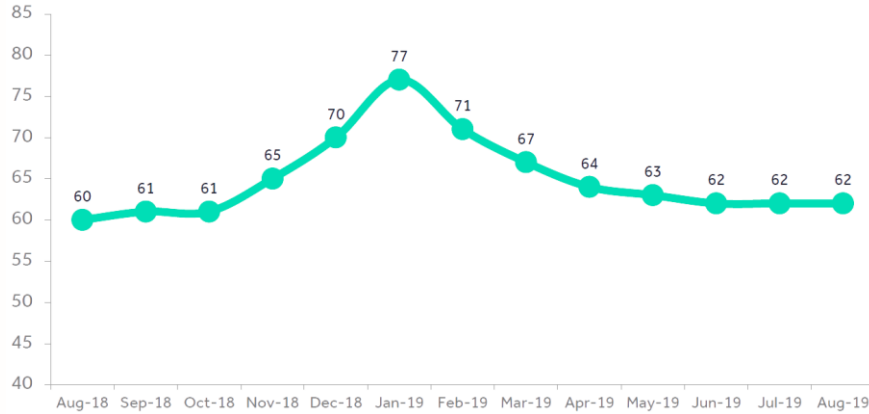


Source: [home.co.uk price index](https://www.home.co.uk/price-index)

“ No sign of autumn bounce yet, with signs that heightened political uncertainty is causing some to hesitate, giving a better negotiating opportunity to autumn buyers who can keep their nerve. ”

Source: [Rightmove price index](https://www.rightmove.co.uk/price-index)

Average-time-on-market indicator – National

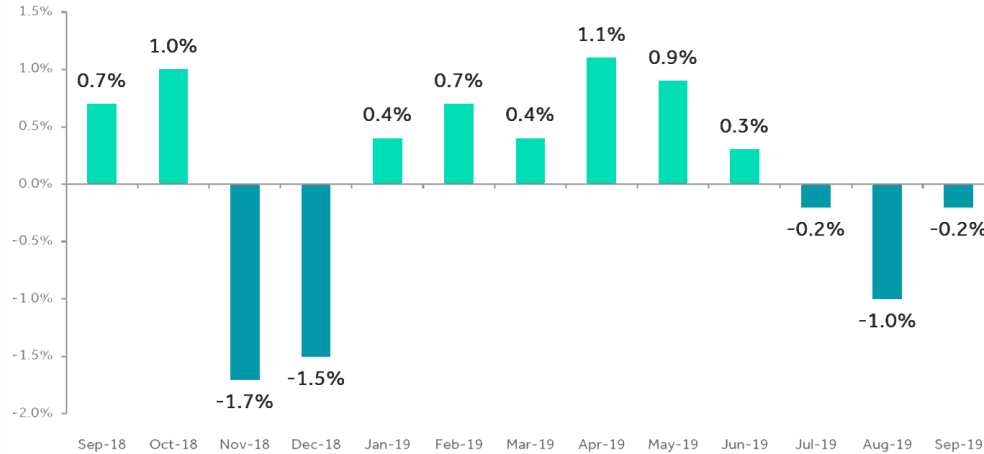


Source: [Rightmove price index](#)

“ Typical Time on Market for England and Wales is currently 96 days (median), just six days longer than in September 2018, a narrowing margin. ”

Source: [home.co.uk price index](#)

Asking-price fluctuation percentage



“ The price of property coming to market falls by 0.2% (-£730) this month, the first fall at this time of year since 2010 ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

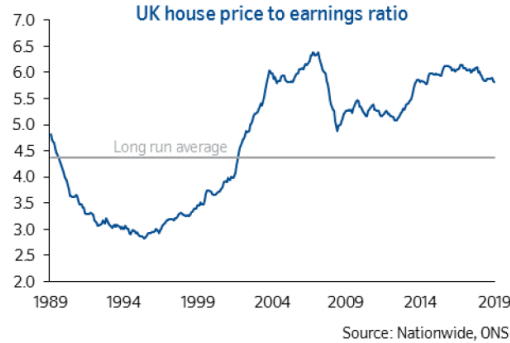
| Funding status | Average price July 2019 | Monthly change | Annual change |
|----------------|-------------------------|----------------|---------------|
| Cash | £221,487 | 0.5% | 0.5% |
| Mortgage | £242,565 | 0.6% | 0.7% |

Source: [gov.uk price index](#)

“ The underlying pace of housing market activity has remained broadly stable, with the number of mortgages approved for house purchase continuing within the fairly narrow range prevailing over the past two years. Healthy labour market conditions and low borrowing costs appear to be offsetting the drag from the uncertain economic outlook. ”

Source: [Nationwide price index](#)

UK house-price-to-earnings ratio

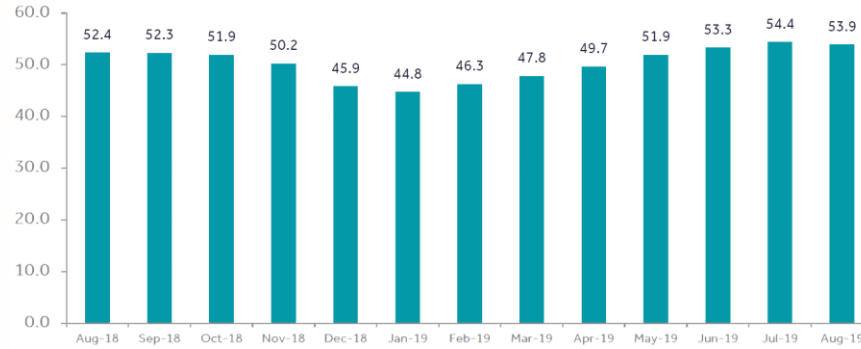


Source: [Nationwide price index](#)

“ Underlying market indicators, including completed sales and mortgages approvals, continue to be broadly stable. Meanwhile for buyers, important affordability measures – such as wage growth and interest rates – still look favourable. ”

Source: [Halifax price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ Total sales stock levels across England and Wales slightly down again by 3.0% ”

Source: [home.co.uk price index](#)

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